

IOWACARE PROGRAM

(Appendix)

IowaCare is a Medicaid expansion program operated under a Federal 1115 Demonstration Waiver. IowaCare covers adults who are not otherwise eligible for Medicaid due to their income or because they do not fit into one of the federal eligibility categories. The program has a limited benefit package, limited provider network and is also limited by federal 1115 waiver budget neutrality caps. Key program characteristics include:

- **Eligibility** – The program covers adults, age 19-64 who have family incomes below 200% of the Federal Poverty Level.
 - **IowaCare is expected to cover 82,207 Iowans in SFY 2012.**
- **Covered Services** - inpatient and outpatient hospital, physician, and emergency dental services. Prescription drugs and durable medical equipment are not covered by the program; however, IowaCare providers do provide limited coverage for these services through their own funding. The University of Iowa provides transportation to the University also through their own funds.
- **Provider Network** - Broadlawns Medical Center in Polk County (for Polk County residents only), and the University of Iowa Hospitals and Clinics in Iowa City for all Iowans.
- **Financing** – The program receives federal matching funds at the same rate as the regular Medicaid program (usually 62% federal in most years, currently 72% due to ARRA). The majority of the State matching funds come from Polk County property tax revenues.
 - Total projected expenditures for SFY 2012 are \$159,345,554 including \$38.0 million in Polk County Property Tax funds, \$6,515,560 from the State General Fund and \$98,247,292 in federal funds.
 - Funds in the IowaCare account will be available to cover all but \$6,515,560. Funding for this amount will be needed from the General Fund and have been included in the Medical Assistance budget.

The IowaCare program was originally created to replace a federal revenue stream known as Intergovernmental Transfers that were being phased out by the Federal government in 2005. IowaCare was originally projected to serve approximately 14,000 Iowans. The program has evolved into a key source of coverage for over 40,000 Iowans, even with the program limitations. **IowaCare is expected to be eliminated on December 31, 2013, when members will transition to the Medicaid expansion and Health Care Exchanges that begin on January 1, 2014.**

IowaCare Expansion

Senate File 2356 expands the IowaCare program by adding local access to primary care services and by implementing a Medical Home model. IowaCare members have a higher incidence of chronic disease, such as diabetes, than the regular adult Medicaid population. State lawmakers sought to improve access to health care for IowaCare members who currently have to travel long distances to the University of Iowa to access care. Specifically, SF 2356 makes the following changes, beginning October 1, 2010:

- Adds Federally Qualified Health Centers (FQHCs) as IowaCare providers. FQHCs provide primary care services to uninsured, low-income populations. The FQHCs will be phased-in over two years, beginning with the locations furthest away from the University of Iowa.
- Implements a medical home model for all IowaCare providers, including the FQHCs, Broadlawns and UIHC.
- Provides \$2.0 million for emergency services provided by non-IowaCare hospitals.